

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF PIEDMONT  
NATURAL GAS, INC. FOR  
APPROVAL OF AN INTEGRITY  
MANAGEMENT RIDER TO ITS  
APPROVED RATE SCHEDULES  
AND SERVICE REGULATIONS**

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**DOCKET NO. 17-00138**

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**SUPPLEMENTAL TESTIMONY**

**OF**

**DAVID N. DITTEMORE**

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**ON BEHALF OF**

**THE CONSUMER PROTECTION AND ADVOCATE DIVISION**

**OF THE**

**OFFICE OF THE TENNESSEE ATTORNEY GENERAL**

**February 28, 2018**

IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE

IN RE:

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I, David N. Dittimore, Financial Analyst, on behalf of the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Supplemental Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Protection and Advocate Division.



David N. Dittimore  
DAVID N. DITTEMORE

Sworn to and subscribed before me this 28<sup>th</sup> day of Feb., 2018.

Emily Knight  
NOTARY PUBLIC

My commission expires: May 6, 2019

1       **Q1.   WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

2       **A1.**   The purpose of my testimony is to identify concerns with the support provided  
3               within supplemental discovery responses related to the escalating costs of the  
4               OASIS project. This testimony further supports the position in my direct testimony  
5               eliminating the return component on excess OASIS costs.

6       **Q2.   COULD YOU PLEASE SUMMARIZE YOUR SUPPLEMENTAL**  
7               **TESTIMONY?**

8       **A2.**   Yes. Based upon my review of the response to Supplemental CPAD Request Nos.  
9               1-2 and 1-3, I have heightened concerns regarding the OASIS cost over-runs.

10      **Q3.   IS SUPPLEMENTAL TESTIMONY PROVIDED FOR WITHIN THE**  
11             **SCHEDULE APPROVED IN THIS DOCKET?**

12      **A3.**   Yes. The Parties of this case reached an agreement that late-filed testimony filed by  
13             the Consumer Protection and Advocate Division (CPAD) would be permitted to the  
14             extent it is limited to discovery responses provided by Piedmont on February 14,  
15             2018. These responses were provided one week after their due date; thus, the parties  
16             and the Hearing Officer agreed to permit the submission of supplemental testimony  
17             related to the late-filed responses.

18      **Q4.   COULD YOU PROVIDE SOME BACKGROUND INFORMATION ON THE**  
19             **NATURE OF THE SUPPLEMENTAL DISCOVERY REQUESTS?**

20      **A4.**   Yes. Within the first set of discovery issued in this docket CPAD requested internal  
21             reports provided to management discussing the progress and status of implementing  
22             the OASIS project.<sup>1</sup> The specific request was:

23                     Provide a copy of all internal reports providing management  
24                     updates on the progress or status of implementing the OASIS  
25                     system during the period of acquisition /development.

26             \*\* [REDACTED]

27             [REDACTED]

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<sup>1</sup> CPAD Discovery Request #1-3.

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[REDACTED]

[REDACTED]

.\*\* As a result, the CPAD issued Supplemental Request #2 on February 1, 2018, requesting all reports provided to executive management tracking the costs of the OASIS project as well as narrative explanations for differences between actual and budgeted costs.<sup>3</sup> On February 14, 2018, Piedmont provided its responses to these requests.

**Q5. DO YOU HAVE ANY GENERAL THOUGHTS CONCERNING THE INFORMATION PROVIDED IN THE COMPANY'S RESPONSE TO CPAD SUPPLEMENTAL REQUEST #1?**

**A5.** Yes. I reviewed the management reports that Piedmont provided and found that certain aspects of the Company's actions were adequate, while other aspects were deficient.

**Q6. IN WHAT AREAS DID YOU FIND THE MANAGEMENT REPORTS WERE DEFICIENT?**

**A6.** There are three areas of deficiency:

a. \*\*. [REDACTED]

b. [REDACTED]

c. [REDACTED]\*\*

<sup>2</sup> CPAD Supplemental Request #1  
<sup>3</sup> CPAD Supplemental Request #2

1 Q7. PLEASE TURN TO THE FIRST CONCERN RELATED TO THE \*\* [REDACTED]  
2 [REDACTED] \*\*

3 A7. Supplemental CPAD Request #2 requested the following:

4 \*\* [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED] \*\*

11 \*\* [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED] [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]

25 \*\*

26 Q8. PLEASE TURN TO YOUR SECOND CONCERN REGARDING THE  
27 \*\* [REDACTED]  
28 [REDACTED]

29 A8. [REDACTED]  
30 [REDACTED]

<sup>4</sup> Company Response to CPAD Request #2-4.

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[REDACTED]  
[REDACTED] \*\*

**Q9. FINALLY, DISCUSS YOUR THIRD POINT CONCERNING**  
**\*\* [REDACTED].**

**A9.** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]:

- a. [REDACTED];
- b. [REDACTED]
- c. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] \*\*

**Q10. EXPOUND ON YOUR CONCERNS EXPRESSED ABOVE WITH RESPECT**  
**TO \*\* [REDACTED] ?\*\***

**A10.** Exhibit 3 to this supplemental testimony sets out the cumulative OASIS costs incurred over time. Please note that the referenced deficiencies are also marked relative to the cumulative OASIS cost.

**Q11. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

**A11.** Yes.

\*\* indicates information that has been labeled CONFIDENTIAL.

Exhibit 1  
to  
Supplemental Testimony  
of  
David N. Dittemore

CONFIDENTIAL

Exhibit 2  
to  
Supplemental Testimony  
of  
David N. Dittemore

CONFIDENTIAL



TPUC Docket #17-00138  
OASIS Cost Timeline

Exhibit 3

